



AN INFORMATIONAL RESOURCE CONCERNING PROGRAMS, EVENTS & OPPORTUNITIES THAT CREATE THE VIRGINIA BUSINESS ADVANTAGE

December 2003 / January 2004

DBA Announces Incubator Grant Awards

DBA recently announced the grant recipients of the Virginia Small Business Incubator Program. Eight organizations from across the Commonwealth received grants totaling \$150,000 for the purpose of creating or strengthening small business incubators.

Research shows that 87% of companies graduating from incubation programs continue to prosper as dynamic members of the business community, far outstripping the success rate of traditional startups. The Virginia incubator network currently houses 253 businesses that employ more than 850 people. Twenty-one percent of these businesses are minority-owned, and 19% are women-owned.

The Virginia Small Business Incubator Program provides grants to local and regional non-profit groups to establish

**CALENDAR**

**12.08 to 12.12.03**  
Neighborhood Reinvestment Training Institute 2003

**01.07.04**  
2004 VA General Assembly Preview & Update on VA Women's Leadership Program

**01.08 to 01.11.04**  
Women's Leadership Exchange

**SAVE THE DATE**

**05.16 to 05.22.04**  
Business Appreciation Week

Visit [www.dba.state.va.us](http://www.dba.state.va.us) for more details and other events.

and operate small business incubators. The program offers grants, awarded on a competitive basis, to be used for feasibility studies, program support, or construction and renovation. Construction and renovation grants will not be offered this year due to budget reductions.

For more information regarding the DBA Small Business Incubator Grant Program, visit [www.dba.state.va.us/smdev/sbincubator.asp](http://www.dba.state.va.us/smdev/sbincubator.asp) Or call (804)371.8260 or (866)248-8814 toll free.

Spending Tax Dollars Wisely Means Rethinking Business Practices

By Governor Mark R. Warner

Saving \$12.5 million can seem like only a drop in the bucket out of a yearly \$25 billion budget. But in a budget with very little wiggle room, we're working at the state level to keep finding ways to save.

That's one reason why I just visited a DMV call center to announce a great new contract with MCI. While it has certainly been a challenge, I am proud of state employees and members of the General Assembly who have made the tough choices to begin to restore the Commonwealth to a path of fiscal responsibility. The changes that we have made not only help get the Commonwealth's fiscal house in order, but are part of the solution to help ensure that Virginia stays on the right fiscal path.

Before talking about the latest piece of good news, let me recap some of our efforts to this point. We have made great efforts to cut waste and increase efficiency in many aspects of state government. During the past year, we have consolidated Information Technology services within state government by creating the Virginia Information Technologies Agency (VITA), with a goal of increasing the value of state information technology operations - while we reduce costs. Continuing in the area of technology, we instituted an electronic procurement system, known as eVA, that has processed more than \$1 billion worth of business.

We began pilot projects to buy goods and services on an enterprise-wide basis, leveraging the buying power of all of state government to get the best prices on things like office supplies and uniforms. We are now expanding this "spend management" concept to a



whole new series of contracts in the coming months.

The above efforts have admirers outside of Virginia as well, as these efforts and others have won national recognition. These efforts together change the landscape in the way government agencies and institutions do business, particularly in terms of how they think about purchasing goods and services in the marketplace.

Back at the DMV, we were able to announce that the Commonwealth has signed a contract with MCI for a wide array of telecommunications services - including long distance voice services, and comprehensive data network and Internet services. This contract will save more than \$3.1 million per year, for a total savings of \$12.5 million over four years. The contract also contains six one-year renewal options. To get some perspective, the total spent last year on the MCI contract was \$24-\$25 million. So, \$3.1 million in savings is significant.

Our new contract gives the Commonwealth great advantage, both in its flexible terms and in the significant cost savings we were able to negotiate. The terms of our agreement allows us to transition to new technologies to meet our needs, while strengthening accountability through enhanced performance measures.

And the DMV Call Center was a great place to announce it because that's an agency that

CONT'D ON BACK

ASK VBIC

An important function of the Virginia Business Information Center (VBIC) is directing citizens and businesses to the appropriate state agency. The Department of Professional and Occupational Regulation (DPOR) is one of VBIC's most frequent referrals.

DPOR regulates 31 occupations and professions through 18 boards composed of practitioners and citizens appointed by the Governor. Over 245,000 individuals and businesses are licensed and certified by the agency. Contractors and Real Estate professionals are the two largest regulated communities, while Branch Pilots are the smallest. DPOR's website [www.dpor.state.va.us](http://www.dpor.state.va.us) allows citizens to check on the license status of professionals before entering into contracts. This service was especially important in the aftermath of Hurricane Isabel, when quick decisions about repair contractors needed to be made.

VBIC and DPOR work closely together. A business or individual licensed by DPOR must also register their business. In assisting new businesses, VBIC can help determine if they are regulated by DPOR and direct them to the correct Board. DPOR directs newly licensed businesses and individuals to VBIC for business registration guidance.

**VIRGINIA BUSINESS INFORMATION CENTER**  
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### WFS Media Production

Using state-of-the-art digital media creation tools like Avid non-linear editing systems, Adobe After Effects and Sony digital video cameras, the electronic media production (EMP) team in DBA's Workforce Services (WFS) division builds engaging and effective training, recruitment, orientation and marketing videos for businesses who qualify for such incentive programs. Companies like MCI, Nautica, Nextel, Wachovia, US Foodservice, and MeadWestvaco benefit from the professional quality of the EMP team. Dozens of smaller companies also gain an economic advantage by having vital communication tools created by WFS as a cost-avoidance service.

And though media production services have been around for years, the rapid advancement of today's technological world means the services the department provides will be expanding to meet those needs. Within the next 12 to 18 months, WFS media production team will be offering Virginia businesses new products including basic website development and interactive DVD authoring with high-definition video production just a few years away. These new pathways for communication are becoming increasingly important and are elemental to doing business in today's economy. Workforce Services provides a number of quality training and growth incentive programs to new and expanding businesses in Virginia. These services enable local and regional companies to prosper even under the most difficult economic climate.

### Tax Credit Available for Retraining Workers

Looking for added incentive to upgrade the skills of your employees? Virginia's Worker Retraining Tax Credit allows an employer to claim a tax credit for the costs of providing worker retraining to qualified employees. Eligible worker retraining includes: 1) noncredit courses provided by any of Virginia's community colleges ([www.vccs.edu](http://www.vccs.edu)) or a private school and 2) credit or noncredit worker retraining courses undertaken through an apprenticeship agreement approved by the Virginia Apprenticeship Council. The credit is 30% of all training costs incurred through a community college, or an annual credit of up to \$100 per student if training through a private school. The credit is allowable against individual income tax, estate and trust tax, corporate income tax, bank franchise tax, and taxes imposed upon insurance companies and utility companies. The credit is nonrefundable, but excess credit may be carried forward for the next three taxable years. For more information and application instructions, please email [wfs@dba.state.va.us](mailto:wfs@dba.state.va.us) or call (804) 371-8121.

### New WBE Newsletter

A new electronic newsletter is soon to be launched for members of DBA's certified Women's Business Enterprise (WBE) program. The first issue is slated for early December with monthly circulation via email to WBE companies. Content will include a spotlight of a certified WBE, news of DBA and state activities impacting women-owned businesses, links to

GOVERNOR WARNER CONT'D

has truly transformed into a 21st century model for e-government. More and more, drivers are doing business online, over the phone, through kiosks, and through the mail. And maybe it's a tired punch line now, but I guess you know that people standing in long lines at the DMV don't exactly love the governor. So they're making me look good, too.

It has been challenging to implement reform and efficiency efforts. It remains a challenge to keep the pressure on at all levels of state government to make the culture change. I deeply appreciate all those who are

working to do so. And I would like to thank the people of Virginia for being supportive and having the patience to wait for the benefits of these reforms.

All of us in business or government know how hard it is to change long settled ways of doing things. But by applying common sense business principles to government, we can win the confidence of Virginians that their government can work effectively and efficiently. More importantly, we can achieve savings that can be reinvested in education and other programs that will create a Commonwealth of Opportunity for all Virginians.

public and private sector resources that support women-owned businesses, and a link to the DBA event calendar. The goal is to provide an economical, concise one-page update on the items of critical interest to women-owned firms. A shift from a quarterly print newsletter used in the past, this electronic medium will use web links and internet addresses to provide convenient low-cost access to the wealth of business development tools and information available in the Commonwealth, and will offer women-owned businesses the opportunity to respond to DBA with input, feedback on issues, concerns, or needs for business assistance. For more information about this new component of the WBE program, please contact Deborah Hudson, Certification Manager, [dhudson@dba.state.va.us](mailto:dhudson@dba.state.va.us), 804-371-8258, 1-800-980-8923.

**PLEASE LET US KNOW:**  
If you no longer wish to receive Inside Virginia, would be willing to receive it electronically, or if you have a former colleague who still receives mailings and needs to be removed, email changes to [hmcdonough@dba.state.va.us](mailto:hmcdonough@dba.state.va.us)

### DBA Welcomes New Employee

CAROLYN CONLON has joined DBA as its new media relations/marketing assistant. Carolyn will assist in many DBA public relations activities including writing press releases, coordinating the agency's bi-monthly newsletter, special events planning and website maintenance.

Prior to joining DBA, Carolyn was a public relations coordinator in New Jersey. Her expertise includes media relations, strategic marketing and advertising, as well as event planning and community outreach.

MITZI HESSER has joined the Virginia Small Business Financing Authority as its new Loan Operations Specialist. She will be performing loan servicing and accounting. Before joining the VSBFA, Mitzi worked for the Virginia Department of Emergency Management in the Financial Services Division.

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